

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 762 - SB 826

February 23, 2009

SUMMARY OF BILL: Requires the CoverKids program to offer dental coverage as part of the benefits package after January 1, 2010 and makes parents of enrollees in the CoverKids program eligible for benefits as long as the family's income is less than 250 percent of the federal poverty level.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$207,462,100

Assumptions:

- The procurement of dental benefits for all enrollees in CoverKids was completed in March 2008 and coverage began June 1, 2008. Since dental coverage is included in the CoverKids program, codifying the requirement will not have a fiscal impact on the state.
- According to the Department of Finance and Administration, the provision of health care benefits for the parents of children covered by CoverKids is limited under the federal Children's Health Insurance Program (CHIP) Reauthorization Act of 2009. After the date of enactment of the Reauthorization Act, HHS is prohibited from approving any state CHIP proposal to expand coverage to non-pregnant adults. The Reauthorization Act also requires the phasing out of existing approvals granted to states to cover non-pregnant adults. Any cost incurred to provide coverage to parents of enrollees will be 100 percent state funded.
- There are currently 34,839 parents in the 21,531 households with children enrolled in CoverKids. It is estimated that the average annual benefit cost for FY09-10 for each parent will be \$5,775 resulting in an increase in expenditures of \$201,195,225 (\$5,775 x 34,839).
- The administrative fee is \$14.99 per member per month resulting in an increase in administrative fees of \$6,266,839 (\$14.99 x 34,839 x 12).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kml